

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
DECEMBER 9, 1999

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, December 9, 1999. Members present were Norman L. Lowery, Chairman; Tony Zaleski, Ronald E. Depasse, Loretta M. Burd David D. Baer and James L. Saner. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Randall L. Rowe, Bank Supervisor; Gina R. Williams, Senior Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division, Mark Tarpey, Division Supervisor, Consumer Credit Division; Chuck T. Stumpf, Deputy Director, Administration Division and Chris McKay, Legal Assistant. Member Gary M. Smith was absent.

I. EXECUTIVE SESSION

Discussion of possible litigation that may be implemented and is confidential under 28-1-2-30. IC 5-14-3 authorizes executive session for this particular reason.

II. PUBLIC SESSION

- A.) Attendance
- B.) Date of next meeting: January 13, 2000 @ 9:00 a.m.
- C.) A motion was made for approval of the minutes of the meeting held October 14, 1999 by Mr. Depasse and was seconded by Mr. Zaleski. **The minutes were unanimously approved.**
- D.) On motion by Mr. Depasse and seconded by Mr. Saner the Members voted to delegate to the Director, Charles W. Phillips, the power to implement litigation in the name of the Department to attain compliance with the conclusions of the Attorney General concerning the lending of money. **The motion was unanimously approved.**

DIVISION OF BANK AND TRUST COMPANIES

1.) Fidelity National Financial, Inc., Irvine, Orange County, California

Ms. Gina Williams, Senior Bank Analyst, presented this application due to the absence of Senior Bank Analyst Kirk Schreiber. Fidelity National Financial Inc. ("Fidelity") has applied to the Department for a change of control of The Lake County Trust Company ("Lake County Trust"), Crown Point, Lake County, Indiana, pursuant to IC 28-1-2-23.

Fidelity is a diversified real estate services company. Fidelity's primary subsidiary is Fidelity National Title Insurance Company which provides title insurance and other title related

services. As of December 31, 1998, Fidelity had total assets of \$969 million and total equity capital of \$397 million.

Lake County Trust is an Indiana state chartered non-depository trust company organized in 1952. However, under its own Articles of Incorporation, Lake County Trust is allowed only to hold title to real estate. As of June 30, 1999, Lake County Trust administered 1,081 land trusts. Lake County Trust is a wholly owned subsidiary of Chicago Title Corporation, ("Chicago Title") Chicago, Illinois. Chicago Title is a national real estate services company that provides title insurance and real estate services to facilitate residential and commercial real estate transactions.

Fidelity and Chicago Title have entered into an Agreement and Plan of Merger. Fidelity will purchase Chicago Title for approximately \$1.2 billion or \$52 per share of Chicago Title common stock using approximately equal amounts of cash and stock. The allocation between cash and stock will be adjusted so that Chicago Title shareholders will receive at least 50.1% of the total issued and outstanding common stock shares of Fidelity immediately post merger. Lake County Trust will continue to operate as it currently does, as an Indiana state-chartered corporate fiduciary and with the same senior management.

Fidelity's pro forma combined financial statements as of December 31, 1999, reflects total assets of \$3.7 billion and total equity capital of \$1 billion.

The Department as sole regulator of Lake County Trust, last examined the institution on July 19, 1999. The corporate fiduciary is well run with experienced management.

Fidelity has filed numerous applications. All applications are expected to be approved by the 1st quarter of 2000.

Fidelity is considered a fundamentally sound holding company. The proposed transaction will affect only the parent corporations Chicago Title and Fidelity. Lake County Trust will remain the same continuing to serve the fiduciary needs of its community upon consummation of this transaction. Therefore, the staff believes the application for change of control meets the criteria of IC 28-1-2-23 and the staff recommends approval.

After a brief discussion, a motion for approval of the application was made by Mr. Zaleski and seconded by Mr. Baer. The application was unanimously approved.

2.) **Review and Approval of Department Policies**

Ms. Gina Williams, Senior Bank Analyst, asked the Members to consider and approve the following policies. She informed the Members that policies are being revised and/or developed to either help reduce regulatory burden or correspond to legislative changes to the statutes.

Policy for Closing a Branch Office. Ms. Williams informed the Members that the current

policy was last approved by the Members in August 1987. The proposed policy eliminates the customer notification requirements in the current policy. Ms. Williams told the Members

that customer notification requirements were addressed in the Interagency Policy Statement on Branch Closings which was adopted by the Federal Deposit Insurance Corporation and Board of Governors of the Federal Reserve System and therefore not needed in the Department's policy. A motion for approval of the Policy for Closing a Branch Office was made by Mrs. Burd and seconded by Mr. Baer. **The motion was unanimously approved.**

Policy for Establishing a Bank Subsidiary. Ms. Williams informed the Members that the current policy was last approved by the Members in August 1987. A revision of the policy is necessary to correspond to changes in the Indiana Statutes that became effective on July 1, 1999. A new chapter was added to IC 28-13 that allows state chartered financial institutions to make minority investments in subsidiaries. The policy explains what information should be submitted to the Department prior to the establishing of a subsidiary. Ms. Williams told the Members that the Office of the Comptroller of the Currency has allowed national banks to make minority investments in subsidiaries for several years, provided that the following standards are met: 1) The activities of the subsidiary must be limited to the activities that are part of incidental to the business of banking; 2) the bank must be able to prevent the subsidiary from engaging in activities that do not meet the requirements in 1; 3) the bank's loss exposure must be limited, as a legal and accounting matter, and the bank must not have open-ended liability for the obligations of the subsidiary; and 4) the investment must be convenient or useful to the bank in carrying out its business and not a mere passive investment unrelated to that bank's banking business. Ms. Williams informed the Members that the policy imposes these same restrictions for state-chartered institutions. A motion for approval of the Policy for Establishing a Bank Subsidiary was made by Mr. Depasse and seconded by Mrs. Burd. **The motion was unanimously approved.**

Policy Establishing Criteria for Exemption of Dividend Approval by the Department. Ms. Williams informed the Members that this was a new policy. When IC 28-13-4-3 was amended effective July of 1998, a provision was added that allowed the Department to establish criteria for a corporation to be exempt from the dividend approval requirements of Section 3. This policy establishes the criteria. To be exempt from the dividend approval requirements the corporation must have received a composite uniform financial institution rating of 1 or 2 at its most recent federal or state examination, the proposed dividend would not result in a Tier 1 leverage capital ratio below 6.5%, and the corporation must not be subject to any corrective or supervisory order or agreement. A motion for approval of the Policy Establishing Criteria for Exemption of Dividend Approval by the Department was made by Mr. Saner and seconded by Mr. Zaleski. **The motion was unanimously approved.**

CONSUMER CREDIT DIVISION

- 1.) Mr. Mark Tarpey, Division Supervisor, presented to the Members an application for a Money Transmitter License under IC 28-8-4, from FFP Money Order Company, Inc., d/b/a Financial

Express Money Orders to issue money orders through agents in Indiana.

After extensive review of the application and information contained in Securities and Exchange Commission filings by FFP Marketing Company, Inc., the parent company for FFP Money Order Company, a motion was made by Mr. Depasse to deny the application and was seconded by Mr. Saner. **The motion was unanimously approved.**

DIRECTOR'S COMMENTS AND REQUESTS

A.) Monroe County Bank, Bloomington, Monroe County, Indiana

On October 20, 1999, the bank notified the Department of its intent to form a subsidiary as permitted by IC 28-1-11-3.1(b)(9). The subsidiary will be known as Monroe Insurance Agency, Inc. The main purpose of this subsidiary will be to act as an insurance agency. **This item is for informational purposes only.**

B.) Salin Bank and Trust Company, Indianapolis, Marion County, Indiana

The bank notified the Department that they closed the branch banking office that was known as the "Teal Road Branch" located at 211 Teal Road, Lafayette, Tippecanoe County, Indiana. The branch office closed on October 13, 1999 @ 5:00 p.m. **This item is for informational purposes only.**

C.) Fifth Third Bank, Indiana, Indianapolis, Marion County, Indiana

The bank notified the Department that they closed the branch banking office that was known as the "Harrison Retirement Center" located at 3060 Valley Farms Road, Indianapolis, Marion County, Indiana. The branch office closed on November, 10, 1999 @ 5:30 p.m. **This item is for informational purposes only.**

D.) DELEGATION TO DIRECTOR

Mr. James Cooper, Deputy Director, Depository Division, briefly described some of the actions that will be taken at the end of the year to monitor the century date change. He indicated that the staff of the department has coordinated its efforts with the various federal regulators to monitor the preparedness of Indiana's financial institutions for the Year 2000. These monitoring efforts began in 1997, and have resulted in every depository institution in the State of Indiana being reviewed on-site at least twice for Year 2000 preparedness. The staff has been meeting with all of the State and Federal regulators throughout the Midwest to plan for the rollover weekend and establish a communications plan. Depository institutions will be contacted 3 more times during the final week of 1999 and during the roll-over weekend to monitor liquidity, cash availability, and computer system functionality. The Department will have a staff member present in the State Emergency Management Operations Center from 6 p.m. December 31st to 6 p.m. on January 1st to monitor general conditions through out the State and respond to any inquiries regarding financial institutions. The staff believes that the state-chartered depository institutions in Indiana are prepared for the Year 2000 century date change; however, as a part of the contingency plan developed by the staff, the Members of the Department were asked to delegate to the Director the authority to act on

the Member's behalf in the event there is a problem associated with the Year 2000 century date change that needs to be resolved before the Members meet again. A motion for the Director to act on the Member's behalf in the event there is a problem associated with

the Year 2000 century date change was made by Mr. Depasse and seconded by Mrs. Burd. **The motion was unanimously approved.**

- E.) Director Charles Phillips advised the Members of actions pursuant to delegated authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:

DIVISION OF BANK AND TRUST COMPANIES

1.) **FREEDOM BANK, HUNTINGBURG, DUBOIS COUNTY, INDIANA**

The bank has asked for an extension for the commencement of its business pursuant to IC 28-12-8-3. IC 28-12-8-3 states that a corporation organized under Title 28 must complete its organization and proceed with the transaction of business within six (6) months after its articles of incorporation have been approved and filed unless an extension is granted by the director. Freedom Bank was originally approved as an interim bank under delegated authority on April 20, 1999, and the articles of incorporation were filed on April 22, 1999. This allowed the bank to engage in activities or take actions related solely to (a) the offering for sale of shares of its common stock and (b) the Bank's organization. The Members subsequently approved the de novo bank application on May 13, 1999. The articles were then amended on August 27, 1999, to expand the bank's powers and activities to include those allowable to all other state chartered commercial banks. Delays associated with the construction of the bank's main office are preventing the bank from opening within six (6) months of the original approval and filing of the articles of incorporation of April 22, 1999. The bank is requesting an extension for commencement of its business to December 22, 1999. Commencement of the transaction of business may occur prior to that as construction of the main office is projected to be completed by the end of November 1999. The bank sold 911,842 shares at \$10.00 per share during the offering of its common stock. **This request for an extension of time until December 22, 1999, was approved by Action Taken by the Director on October 8, 1999.**

2.) **FIFTH THIRD BANK, INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located at **2101 Stanley Road, Plainfield, Hendricks County, Indiana**. The application was received on September 23, 1999. The name of the branch will be **"Plainfield Banking Center."** The bank purchased the land and building from Bank One, Indiana, Indianapolis, Indiana for \$1,400M. Furniture, fixtures, and equipment costs are estimated at \$235M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a Satisfactory CAMELS rating as a result of a joint DFI and Federal Reserve Bank of Chicago examination as of December 31, 1998. The bank's three-year average ROA is 1.45%. As of June 30, 1999, the Tier I leverage capital ratio is 7.39%. Total fixed assets to total capital will increase from 11.18% prior to the branch being opened to 12.65% after the branch is opened. This will be the institution's thirty-eighth branch. **The Director**

approved this on October 8, 1999, under Delegated Authority.

3.) **THE MERCHANTS BANK & TRUST COMPANY, WEST HARRISON, DEARBORN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch banking office to be located at **3743 Hamilton-Cleves Road, Hamilton, Butler County, Ohio**. The application was received on September 16, 1999, and the branch is to be known as "**The Merchants Bank & Trust Company**." No insider relationship exists between any insiders of the bank and any of the parties involved. The proposed branch is a 1,500 square foot branch, office building to be constructed by the lessor, located in a vacant lot in an existing retail center in Hamilton, Ohio known as Rossgate Shopping Center. The bank is leasing the space from an unaffiliated third party for an annual rental of \$31,800 due in equal monthly installments. The term of the lease is for twenty years with one, five year renewal options. The bank received a satisfactory CAMELS rating as a result of an examination conducted by the DFI as of March 31, 1998. The bank's three-year average ROA is 0.99%. As of June 30, 1999, the Tier 1 leverage capital ratio is 9.88%. The investment in total fixed assets to total capital will remain at 20.45% before and after the investment in the branch. This will be the institution's fourth branch. **The Director approved this on October 8, 1999, under Delegated Authority.**

4.) **IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied for approval to relocate a branch banking office from **11611 N. Meridian Street, Carmel, Hamilton County, Indiana** to **805 W. Carmel Drive, Carmel, Hamilton County, Indiana**. The application was received on October 5, 1999. The name of the branch will continue to be "**Irwin Union Bank**." The bank will lease approximately 4,976 square feet of office space from Carmel Drive Associates, LLP, an Indiana limited liability partnership. The term of the lease is for five years with an option to extend the lease term for an additional five-year period. During the initial five-year lease period, the monthly rental payment is \$7,360. If the bank exercises the option to extend the lease for an additional five years, the monthly rental payments increase to \$8,604. The estimated costs for leasehold improvements are \$220M. Estimated costs of furniture, fixtures, and equipment are estimated at \$187M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a Satisfactory CAMELS rating as a result of a joint DFI and Federal Reserve Bank of Chicago examination as of December 31, 1998. The bank's three-year average ROA is 1.54%. As of June 30, 1999, the Tier I leverage capital ratio is 9.51%. Total fixed assets to total capital will increase from 9.25% prior to the relocation to 9.59%. The institution will continue to have twenty-one branches. **The Director approved this on October 28, 1999, under Delegated Authority.**

5.) **FIRST BANK, MORGANTOWN, MORGAN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch banking office to be located at **250 North State Road 135, Bargersville, Johnson County, Indiana**. The application was received on October 13, 1999, and the branch is to be known as **"First Bank."** No insider relationship exists between any insiders of the bank and any of the parties involved. The proposed branch is a 900 square foot branch office. The bank is

leasing the space from Dr. Paul Kopko, Bargersville, Indiana, for an annual rental of \$7.2M due in equal monthly installments. The term of the lease is for three years. The estimated cost for furniture, fixtures, and equipment is \$50M and leasehold improvements are estimated at \$40M. The bank received a satisfactory CAMELS rating as a result of an examination conducted by the FDIC as of September 30, 1998. The bank's three-year average ROA is 0.48%. As of June 30, 1999, the Tier 1 leverage capital ratio is 11.62%.

The investment in total fixed assets to total capital will increase from 23.95% before the proposed branch to 25.58% after the investment in the branch. This will be the institution's fifth branch. **The Director approved this on October 28, 1999, under Delegated Authority.**

6.) **PEOPLES TRUST & SAVINGS BANK, BOONVILLE, WARRICK COUNTY, INDIANA**

The bank has asked for an extension for the establishment of its proposed branch to be located at **2922 State Road Highway 261, Newburgh, Warrick County, Indiana**. The branch was approved under delegated authority on December 18, 1998, and is to be known as **Peoples Trust & Savings Bank**. The bank purchased 20 acres of land with the intention of selling the land that was not needed for the branch bank facility. Of the 20 acres, the bank believes the State of Indiana will condemn 1½ acres of the land for road improvements. In order to obtain the necessary approvals from local planning agencies, county commissioner, and rezoning boards, the bank was forced to commit itself to the entire rezoning and subdividing process in order to obtain the necessary rezoning permits, drainage easements, and utility hookups to progress with the construction of the branch. Additionally, county permitting officials insisted that the overall, long-range utilization plan for the entire 18 ½ acre tract be submitted so that informed decisions regarding their requirements for location of the bank's ingress and egress, the necessity of acceleration and deceleration traffic lands, and for the proper sizing requirements for both water and sewer services could be made. As a result of all of this, the bank is developing the entire 18 ½ acre tract. Consequently, the development costs of the additional required streets beyond that which was needed to service the bank, the installation of the additional sewer lines and other related expenses appear to be approximately \$300,000. Construction of the branch is estimated to be completed by June 15, 2000. The bank's ROA as of June 30, 1999 is 1.58% and Tier 1 Leverage Capital is 27.57%. **The Director approved this on October 28, 1999, under Delegated Authority for a one year extension provided the bank agrees to the following conditions:**

- 1.) **The bank will segregate out that portion of the land and expense that is associated with the bank's branch and reflect that amount in the fixed asset account on the bank's daily statement and reflect the pro-rata expenses associated with that portion properly on the expense statement. The remaining will be reflected as Other Real Estate on the daily statement and the pro-rata**

expenses associated with that portion reflected properly on the expense statement,

- 2.) **A copy of the bank's daily statement reflecting the land divided between the fixed asset account and the Other Real Estate account should be submitted to the Department along with the calculation management used to determine each**
- 3.) **General ledger account, and Once the improvements are completed, the bank will obtain a qualified appraisal on that portion of the land designated as Other Real Estate and submit it to the Department along with a detailed plan on disposing of the property, including an estimated timeframe for its disposal.**

7.) **FIRST INTERNET BANK OF INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has applied to the Department for permission to amend Article III Section 3.2 of its Articles of Incorporation. The amendment permits the Bank to issue up to 86,221 shares of the 750,000 shares originally authorized as preferred stock, to be designated as Non-Voting Common Stock. Additionally, the amendment gives the Non-Voting Common Stock preferences, limitations and rights including Dividend Rights, Liquidation Rights and Conversion Options and Requirements. As described in the amendment, the dividend rights of the holder of each Non-Voting Common Share shall be entitled to receive a dividend equal to the dividend payable to respect to each Common Share. Upon liquidation, the holders of the Common Shares and the holders of the Non-Voting Common Shares shall share ratably, on a per share basis, in the assets of the bank, such that the holders of Non-Voting Common Shares shall be entitled to receive an amount per Non-Voting Common Shares equal to the amount distributed per Common Share. The Non-Voting Common shares shall be convertible to voting stock by a third party transferee which acquires the stock subject to certain conditions. The Board of Directors of First Internet Bank of Indiana adopted a resolution amending the provisions of Article 3.2 at a Special meeting dated October 21, 1999. **The Director approved this on October 28, 1999, under Action Taken By the Director.**

8.) **STONE CITY BANCSHARES, INC., BEDFORD, LAWRENCE COUNTY, INDIANA**

An application has been filed for permission to establish an interim bank to be known as New Stone City Bank. New Stone City Bank will be a wholly-owned subsidiary of Stone City Bancshares, Inc., Bedford, Lawrence County, Indiana. The interim bank will be located at 1502 I Street, Bedford, Lawrence County, Indiana. Stone City Bancshares, Inc. currently owns approximately 92.5% of Stone City Bank, Bedford, Lawrence County, Indiana. Stone City Bancshares, Inc. has determined to convert to a subchapter "S" corporation under the Internal Revenue Code. For consolidated companies to qualify for treatment under Subchapter S, each corporate subsidiary must be 100% owned by its immediate parent company. In order to accomplish this, Stone City Bancshares, Inc. is forming New Stone City Bank and will merge it into Stone City Bank with the result that Stone City Bank becomes a wholly owned subsidiary of Stone City Bancshares, Inc. An application for the merger of New Stone City Bank into Stone City Bank has been submitted to the Department and is pending approval. The interim bank will never be operational. **The Director approved this**

on November 19, 1999, under Delegated Authority.

9.) **HEARTLAND COMMUNITY BANK, FRANKLIN, JOHNSON COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located at the corner of **State Road 135 and 3-Notch Lane, Bargersville, Johnson County, Indiana**. The application was received on October 15, 1999. The name of the branch will be **Heartland**

Community Bank. The bank is proposing to construct a 2,100 square foot branch. The cost to construct the branch is projected at \$275,000 and equipment and furnishings are estimated to be \$125,000. The bank will lease the land the branch will set on from an independent third party. The term of the proposed lease is for five years. The lease grants the bank four separate extension periods of five years each immediately following the expiration of the initial term of the lease. The minimum rent during the first five years is \$15,000 payable in equal monthly installments. The rent will increase by in subsequent years based on the Consumer Price Index. In the event the landlord decides to sell the property, the bank has the right during the term of the lease to purchase the property for \$150,000. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank plans to move into a temporary trailer on the land adjacent to the proposed branch site during construction of the branch. The bank will lease the land from the same individual that the permanent site is leased from at a nominal fee. The cost of the trailer is approximately \$3,300 per month plus utilities. The initial costs to set up the trailer are less than \$5,000. This bank opened on December 17, 1997. As of June 30, 1999, the Tier I leverage capital ratio is 13.16%. The bank's ROA is 0.73%. Total fixed assets to total capital will increase from 14.11% prior to the branch being opened to 17.48% after the branch is opened. This will be the institution's third branch. **The Director approved this on November 19, 1999, under Delegated Authority.**

10.) **MONROE COUNTY BANK, BLOOMINGTON, MONROE COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located at **2455 Tamarack Trail, Bloomington, Monroe County, Indiana**. The application was received on November 4, 1999. The name of the branch will be **Meadowood Retirement Community**. The bank has entered into an agreement to lease an area of the Meadowood Retirement Community for the purpose of operating a limited purpose branch. The branch will offer such services as new account openings, deposit and withdrawal processing. By appointment, services such as Trust and Broker Planning will also be offered. The rental agreement states the rent will be the greater of \$200 or a percentage of deposits generated at the branch, not to exceed \$500. The lease requires 90-day notice by either party to terminate it. Furniture, fixtures, and expenses are estimated at \$15,000. The bank's three-year average ROA is 1.38%. As of June 30, 1999, the Tier I leverage capital ratio is 8.24%. Total fixed assets to total capital will increase from 23.33% prior to the branch being opened to 23.38% after the branch is opened. This will be the institution's thirteenth branch. **The Director approved this on November 19, 1999, under Delegated Authority.**

11.) **APPLICATION TO ORGANIZE AN "INTERIM" BANK**

The Staff of the Department is requesting approval of the **Application to Organize an**

“Interim” State Chartered Banking Institution. An interim bank is used primarily to facilitate the exchange of stock between a newly formed holding company and a bank or to facilitate a bank holding company acquiring 100% of a bank's stock. Revisions were made to adapt the form to 8 ½” x 11” and to make minor revisions. The effective date of the application will be the date it is approved by the Director under delegated authority. **The Director approved this on November 20, 1999, under Delegated Authority.**

12.) **ARTICLES OF AMENDMENT OF THE ARTICLES OF INCORPORATION**

The Staff of the Department is requesting approval of the **Articles of Amendment of the Articles of Incorporation.** Revisions were made to adapt the form to 8 ½” x 11” and to make minor revisions. The effective date of the application will be the date it is approved by the Director under delegated authority. **This Director approved this on November 20, 1999, under Delegated Authority.**

13.) **GRABILL BANK, GRABILL, ALLEN COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located at **11075 Isabelle Drive, New Haven, Allen County, Indiana.** The application was received on October 19, 1999. The name of the branch will be **Grabill Bank.** The proposed branch will be a newly constructed full service branch banking facility in New Haven. The bank purchased the land for \$120M in the 3rd quarter of 1999. The estimated costs for constructing the branch is \$450M. Furniture, fixtures, and equipment costs are estimated at \$429M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank plans to move into a temporary site at **916 Main Street, New Haven, Allen County, Indiana** immediately upon regulatory approval. The bank will lease an existing drive-up banking facility previously occupied by Norwest Bank and presently owned by the City of New Haven for \$200 per month until the proposed permanent site is completed. Construction of the proposed site is expected to be completed in the Fall of 2000. The bank's three-year average ROA is 1.45%. As of June 30, 1999, the Tier I leverage capital ratio is 9.50%. Total fixed assets to total capital will increase from 13.74% prior to the branch being opened to 17.41% after the branch is opened. This will be the institution's sixth branch. **The Director approved this on November 10, 1999, under Delegated Authority.**

14.) **IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch banking office to be located at **1717 East College Parkway, Suite 101-108, Carson City, Carson City County, Nevada.** The application was received on October 28, 1999, and the branch is to be known as **“Irwin Union Bank – Carson City.”** No insider relationship exists between any insiders of the bank and any of the parties involved. The proposed branch is an 8,096 square foot branch office. The bank branch in Carson City is expected to provide its usual branch banking services, in addition to expanding the bank's affiliate, Irwin Home Equity Corporation, San Ramon, California, home equity line of business. The bank is leasing the

space from Roger L. Shaheen, Carson City, Nevada, for an annual rental of \$116,580 for the first year increasing by 2.5% per year for each of the remaining years of the lease with a 5th year annual rental of \$128,688. The terms of the lease call for five years with an option to renew for another five years. The estimated cost for furniture, fixtures, and equipment is \$310M and leasehold improvements are estimated at \$168M. The bank's three-year average ROA is 1.21%. As of June 30, 1999, the Tier 1 leverage capital ratio is 9.51%. The investment in total fixed assets to total capital will increase from 22.19% before the proposed branch to 22.68% after the investment in the branch. This branch meets all legal

requirements under the Nevada revised Statutes and the Indiana Code. This will be the institution's twenty-first branch. **The Director approved this on November 10, 1999, under Delegated Authority.**

DIVISION OF CREDIT UNIONS

1.) **INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

MacDougall Pierce Construction, Inc. – Fishers – 52 members (common bond of occupation as defined by 28-7-1-10)

Critical Care Systems – Indianapolis – 4 members (common bond of occupation as defined by 28-7-1-10)

Ashjian Brothers Rug Cleaning Co. – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10)

Ambassador Consulting, Inc. – Indianapolis – 95 members (common bond of occupation as defined by 28-7-1-10)

Artesian Glass – Martinsville – 4 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on October 21, 1999, under Delegated Authority.

2.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Environmental Solutions Midwest, Inc. – Plymouth – 1 member (common bond of occupation as defined by 28-7-1-10)

Industrial Mechanical Services, Inc. – Goshen – 7 members (common bond of occupation as defined by 28-7-1-10)

Higgins & LaSalvia, LLP d/b/a Keller & Keller – Granger – 5 members (common bond of occupation as defined by 28-7-1-10)

First Baptist Church – Walkerton – 4 members (common bond of church membership as defined by 28-7-1-10)

Summit Club of South Bend, Inc. – South Bend – 30 members (common bond of occupation as defined by 28-7-1-10)

Divine Child Care, Inc. – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)

Buskirk Homes – Warsaw – 2 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on October 25, 1999, under Delegated Authority.

3.) CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Bristol Tool Co. – North Vernon – 3 members (common bond of occupation as defined by 28-7-1-10)

Don Trowbridge Trucking, Inc. – Commisky – 8 members (common bond of occupation as defined by 28-7-1-10)

Jeffrey Gahimer Builder, Inc. – Waldron – 2 members (common bond of occupation as defined by 28-7-1-10)

Meece Sign Management – Greenwood – 5 members (common bond of occupation as defined by 28-7-1-10)

Mike Weintraut's Carpet Sales – Shelbyville – 8 members (common bond of occupation as defined by 28-7-1-10)

Personnel Management, Inc. – Greenwood – 315 members (common bond of occupation as defined by 28-7-1-10)

Regal Building Services, Inc. – Shelbyville – 30 members (common bond of occupation as defined by 28-7-1-10)

Russell Johnson Drywall Co. – Shelbyville – 1 member (common bond of occupation as defined by 28-7-1-10)

Tipton Lakes Athletic Club – Columbus – 50 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on October 25, 1999, under Delegated Authority.

4.) GENERAL CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed

Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

True Love Manor Apartments – Fort Wayne – 2 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on October 29, 1999, under Delegated Authority.

5.) **HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Little SI's construction – Jasper – 4 members (common bond of occupation as defined by 8-7-1-10)

United Brotherhood of Carpenters & Joiners of America Local 2930 – Jasper
1,280 members (common bond of labor organization membership as defined by 28-7-1-10)

The Director approved this on November 5, 1999, under Delegated Authority.

6.) **HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Briscoe Mobile Homes, Inc. – Mitchell – 11 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on November 9, 1999, under Delegated Authority.

7.) **TAPER LOCK CREDIT UNION, MISHAWAKA, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

D.I.G. Excavating – Bremen – 6 members (common bond of occupation as defined by 28-7-1-10)

Clelland & Sons Construction – Wolcottville – 20 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on November 15, 1999, under Delegated Authority.

8.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Osolo Emergency Medical Services, Inc. – Elkhart – 30 members (common bond of occupation as defined by 28-7-1-10)

WBND ABC 58 – South Bend – 6 members (common bond of occupation as defined by 28-7-1-10)

Studebaker Autoparts Sales Corporation – South Bend – 10 members (common bond of occupation as defined by 28-7-1-10)

Wynnfield Crossing – Rochester – 16 members (common bond of occupation as defined by 28-7-1-10)

Drive & Shine, Inc. – Mishawaka – 50 members (common bond of occupation as defined by 28-7-1-10)

Drive & Shine Express, Inc. – Nappanee – 10 members (common bond of occupation as defined by 28-7-1-10)

First Class Education – Indianapolis – 1 member (common bond of occupation as defined by 28-7-1-10)

Lafree Enterprises – Mishawaka – 6 members (common bond of occupation as defined by 28-7-1-10)

Angela J. Farnsworth, CPA – Osceola – 2 members (common bond of occupation as defined by 28-7-1-10)

Denny's Maple City Snacks – Elkhart – 15 members (common bond of occupation as defined by 28-7-1-10)

Hott Metal Services, Inc. – Rochester – 8 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on November 22, 1999, under Delegated Authority.

9.) INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Avalon Group, Inc. – Indianapolis – 6 members (common bond of occupation as defined by

28-7-1-10)

Silverado II Corporation – Anderson – 3 members (common bond of occupation as defined by 28-7-1-10)

The Cutting Room – Indianapolis – 9 members (common bond of occupation as defined by 28-7-1-10)

Roller Skating Association International – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10)

Brown's Garage, Inc. – Beech Grove – 3 members (common bond of occupation as defined by 28-7-1-10)

The InterDesign Group – Indianapolis – 59 members (common bond of occupation as defined by 28-7-1-10)

True Belief Academy Christian School – Indianapolis – 30 members (common bond of

occupation as defined by 28-7-1-10)

Duncan Brothers Moving & Storage, Inc. – Indianapolis – 12 members (common bond of occupation as defined by 28-7-1-10)

Paragus, Inc. – Indianapolis – 30 members – (common bond of occupation as defined by 28-7-1-10)

Goodwill Industries of Central Indiana, Inc. – Indianapolis – 1,200 members (common bond of occupation as defined by 28-7-1-10)

Indianapolis District of The Sherwin-Williams Company – Indianapolis – 130 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on November 24, 1999, under Delegated Authority.

10.) CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Camile Products, Inc. – Indianapolis – 21 members (common bond of occupation as defined by 28-7-1-10)

Destinations Travel – Columbus – 10 members (common bond of occupation as defined by 28-7-1-10)

Errands Express – Columbus – 3 members (common bond of occupation as defined by 28-7-1-10)

First Class Cleaning Services, Inc. – Carmel – 6 members (common bond of occupation as defined by 28-7-1-10)

National Machine Tool & Engineering, Inc. – Westport – 8 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on November 30, 1999, under Delegated Authority.

DIVISION OF CONSUMER CREDIT

- 1.) CitiFinancial Mortgage Company is requesting a consumer loan license. Applicant is based in Tampa, FL. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in seven states. Applicant is taking over an existing licensee, IMF Mortgage (LL #1234). Applicant is a wholly owned subsidiary of Commercial Credit. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 2.) Harrison Steel Castings Co. is requesting a consumer loan license. Applicant is based in Attica, IN. They will be making small loans to employees. They will be servicing their loans. Loans will be repaid under revocable payroll deduction. They will be interest free unless employment status changes. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 3.) Homemakers Mortgage, Inc. is requesting a consumer loan license. Applicant is based in San Diego, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in thirteen states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 4.) iOwn, Inc. is requesting a consumer loan license. Applicant is based in San Francisco, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in 48 states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 5.) Loancity.com Inc. is requesting a consumer loan license. Applicant is based in San Jose, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in eight states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 6.) Monument Mortgage, Inc. d/b/a FiNet.com is requesting a consumer loan license. Applicant is based in San Ramon, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in seventeen states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 7.) New Freedom Mortgage Corporation is requesting a consumer loan license. Applicant is based in Salt Lake City, UT. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in four states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**

- 8.) Paragon Home Lending, LLC is requesting a consumer loan license. Applicant is based in Brookfield, WI. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in four states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 9.) Premier Mortgage Corporation of America is requesting a consumer loan license. Applicant is based in Draper, UT. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 19 states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 10.) Prism Mortgage Company is requesting a consumer loan license. Applicant is based in Chicago, IL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 23 states. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 11.) Winterwood Mortgage Group, LLC is requesting a consumer loan license. Applicant is based in Greenwood, IN. They will be making second mortgage loans. They will not be servicing their loans. Loans will be made at an office in Greenwood. They will also continue to operate as a loan broker on some transactions. Applicant has been registered as a broker with Securities Division since 1992. Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 12.) FFP Money Order Company, Inc. d/b/a Financial Express Money Orders is requesting a money transmitter license. Applicant is based in Fort Worth, TX. They have 44 convenience stores/gas stations as agents. Money will be transmitted by the sale of money orders. They currently operate in 19 states. Applicant has exceeded minimum levels for equity and permissible investments. Parent company of applicant is publicly traded company on the American Stock Exchange, FFP marketing company, Inc. ("FMM") Applicant is recommended for approval. **The Director approved this on November 12, 1999, under Delegated Authority.**
- 13.) Freimark & Associates, Inc. is requesting approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based in Dayton, OH. The terms of the agreement include 1) maximum cost to customer is \$250; 2) 60-day free look clause; 3) customer deductible covered up to \$1,000; 4) optional – not a condition to the extension of credit, 5) maximum term is 84 months; 6) no refund upon prepayment. They currently operate

in Ohio. There is a contractual liability policy issued by American Modern Insurance Group. The initial dealer requesting approval is Indiana Members Credit Union. All future dealers will agree to abide by the same terms as those approved. Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202 (1)(c). Approximately 450 agreements were written prior to submission of the program. Administrator will send notices to all of these customers giving them a "new" 60-day free look period as long as a claim has not been filed. **The Director approved this on November 12, 1999, under Delegated Authority.**

CERTIFICATION

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading

of "Executive Session." All action taken by the Department relating to the business discussed in the Executive Session was conducted in the Public Session

APPROVED:

ATTEST:

Minutes of Member's Meeting

December 9, 1999

Page 19

Norman Lowery, Chairman

J. Philip Goddard, Secretary